New Payroll System

Executive Summary

An Office of Finance (OF) study, just completed, recommends that the Agency proceed now with a new payroll system that would utilize all available interface capabilities, develop new or expand existing automated techniques that would substantially reduce manual operations, provide the needed flexibility to react to required changes without major reprogramming, and provide management with needed statistical information.

The study group was composed of [redacted] 25X1
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, the current Deputy Chief of Compensation Division acted as Senior Advisor to the group. All members of the group have had either past or current payroll experience and [redacted] were involved in the development of 25X1
the current payroll system.

The study was initiated as a result of recommendations made by the Office of Data Processing (ODP) in their General Requirements Study dated 16 September 1980. Generally, both offices agree that the current system effectively computes pay but leaves many operations to be done manually and requires a considerable amount of resources to maintain. This raises several major points that concern the OF, the primary one being ODP's estimate of five to seven (5-7) years to develop a new system. For all practical purposes the current system is approximately ten (10) years old; this is old for a system as sophisticated and complex, and with as many changes that have been made since its initial development. Another major point concerning OF is that we do not anticipate the one-to three (1-3) year modifications to the present system having any dramatic affect in the work hours required to produce the biweekly payroll. This is especially important since the manual effort expended by Compensation Division is growing at an alarming rate.

In arriving at its recommendation the study group reviewed those facets of the current payroll operation which require the most manual effort. Further, they developed various conceptual design proposals aimed toward substantial reduction of this manual effort and attendant work time. Through analysis it has been noted that the majority of these conceptual changes would require development of a new system, according to the ODP study. Further contributing to the problem is the fact that additional requirements, mostly bearing on the manual operations, are continually being levied on payroll. Considering the amount of overtime presently needed to meet the demands, it appears evident

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that payroll cannot continue to absorb new requirements with the present staff without jeopardizing their basic responsibility of paying employees on an accurate and timely basis.

It has been concluded that immediate development of a new payroll system could significantly reduce by 12.5 work years the combined payroll and ODP resources, currently expended on manual operations and ODP systems maintenance. Additionally, immediate development of a new system would permit more timely implementation of programs to extract valuable management and statistical information and exploration of modern data entry techniques. In order to procced now, both the OF and ODP will have to make available manpower resources needed for the development, design, and testing of a new system.

It is envisioned that a new payroll system would differ vastly from the present one in that technology, such as, Optical Character Reader (OCR) would be explored as a viable data entry technique and more current software and design methodology would be employed. We would seek to provide a rapid query capability through the use of Cathode Ray Terminals (CRT) so that payroll technicians could operate more efficiently. Further we would seek to provide OF management with the capability for rapid retrieval of statistical data and the flexibility to structure query programs without the total dependance on ODP we must now have.

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Chairman, Payroll Study Group